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WASHINGTON, D.C.

July 25, 2002

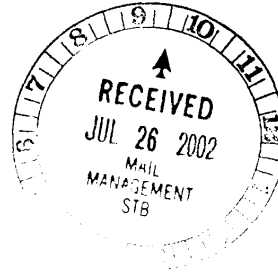
**VIA FEDERAL EXPRESS**

Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001  
Attn: Ms. Ellen Keyes

RECORDATION NO. 23416-L FILED

JUL 26 '02 1-34 PM

**SURFACE TRANSPORTATION BOARD**



**Re: Memorandum of Chattel Mortgage and Security Agreement Modification  
Agreement between Midwest Railcar Corporation and Allfirst Bank/July  
Funding**

Dear Ms. Keyes:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) original copies of a Memorandum of Chattel Mortgage and Security Agreement Modification Agreement, dated July 29, 2002, a **secondary** document, to the Memorandum of Chattel Mortgage and Security Agreement, Recordation No. 23416, as defined in the Board's Rules for the Recordation of Documents for filing. The names and addresses of the parties to the enclosed document are:

Debtor: Midwest Railcar Corporation  
3 Professional Park Drive, Suite B  
Maryville, Illinois 62062

Secured Party: Allfirst Bank  
25 South Charles Street  
Baltimore, Maryland 21201

A description of the railroad equipment covered by the enclosed documents is:

Three (3) open hopper cars, eight (8) woodchip hopper cars, thirty-three (33) covered hopper cars and ten (10) boxcars, (collectively, the "Railcars") bearing car marks and numbers as listed on Exhibit A to said Memorandum of Chattel Mortgage and Security Agreement Modification Agreement.

•Surface Transportation Board  
July 25, 2002  
Page 2

MILES & STOCKBRIDGE P.C.

A short summary of the document to appear in the index follows:

Memorandum of Chattel Mortgage and Security Agreement Modification Agreement between Midwest Railcar Corporation as Debtor and Allfirst Bank, as Secured Party, covering three (3) open hopper cars, eight (8) woodchip hopper cars, thirty-three (33) covered hopper cars and ten (10) boxcars, (collectively, the "Railcars") bearing car marks and numbers as listed on Exhibit A to said Memorandum of Chattel Mortgage and Security Agreement Modification Agreement.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board to cover the required recordation fee.

Please kindly return stamped copies of the enclosed document to the undersigned at the above-listed address.

Also, please call (410) 385-3423 to confirm your receipt of the enclosed items.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Doti J. Hampton".

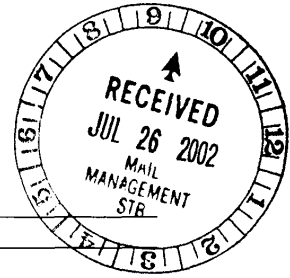
Doti J. Hampton  
Legal Assistant

/dh  
Enclosures

RECORDATION NO. 23416-L FILED

JUL 26 '02 1:34 PM

SURFACE TRANSPORTATION BOARD



**MEMORANDUM OF  
CHATTEL MORTGAGE AND SECURITY AGREEMENT  
MODIFICATION AGREEMENT**

**dated as of July 29, 2002**

**by and between**

**MIDWEST RAILCAR CORPORATION,  
as Debtor**

**and**

**ALLFIRST BANK,  
as Secured Party**

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**MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT  
MODIFICATION AGREEMENT**

THIS MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT MODIFICATION AGREEMENT (this "Agreement") is made as of this 29<sup>th</sup> day of July, 2002, by and between ALLFIRST BANK (the "Secured Party") and MIDWEST RAILCAR CORPORATION, an Illinois corporation (the "Debtor"), witnesseth:

**RECITALS**

A. The Debtor and the Secured Party are parties to that certain Loan Agreement dated as of March 20, 2001, as amended by the Loan Agreement and Chattel Mortgage and Security Agreement Modification Agreement dated as of April 12, 2002 (collectively, the "Loan Agreement"), pursuant to which the Secured Party agreed to extend to the Debtor a line of credit described in the Loan Agreement.

B. To secure the Debtor's Obligations (as defined in the Loan Agreement) to the Secured Party, the Debtor executed and delivered to the Secured Party a Chattel Mortgage and Security Agreement dated as of March 20, 2001 (as amended from time to time, the "Security Agreement"), pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, certain railcars.

C. A Memorandum of Chattel Mortgage and Security Agreement (the "Memorandum of Security Agreement") was filed and recorded with the Surface Transportation Board pursuant to 49 U.S.C. 11301(a) on March 21, 2001 at 11:42 A.M., under Recordation No. 23416.

D. The Debtor subsequently purchased three (3) open hopper cars, eight (8) woodchip hopper cars, thirty-three (33) covered hopper cars, and ten (10) boxcars, (collectively, the "Railcars") described on Exhibit A attached hereto.

E. The Secured Party and the Debtor executed a Chattel Mortgage and Security Agreement Modification Agreement dated as of the date hereof pursuant to which the parties amended Schedule 1 to the Security Agreement by adding the cars marks and numbers of the Railcars to the collateral listed therein.

F. The Secured Party and the Debtor desire to amend certain provisions of the Memorandum of Security Agreement.

### TERMS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Secured Party and the Debtor hereby agree as follows:

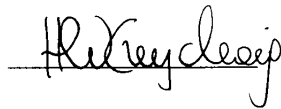
1. The facts set forth above are true and accurate in each respect.
2. The Memorandum of Security Agreement is hereby amended as follows: Exhibit A attached to the Memorandum of Security Agreement is amended by adding the car marks and numbers of the Railcars.
3. The term "this Memorandum" as used in the Memorandum of Security Agreement shall mean the Memorandum of Security Agreement as modified herein unless the context clearly indicates or dictates a contrary meaning.
4. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Secured Party. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
5. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement

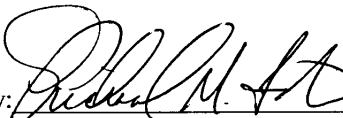
[SIGNATURES APPEAR OF NEXT PAGE]

IN WITNESS WHEREOF, the Secured Party and the Debtor have caused this Agreement to be executed under seal as of the date first above written.

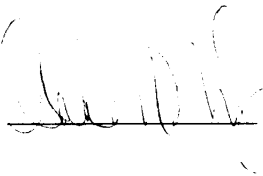
WITNESS:

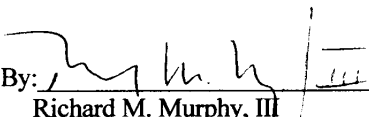
ALLFIRST BANK



By:  (SEAL)  
Richard M. Folio  
Vice President

MIDWEST RAILCAR CORPORATION



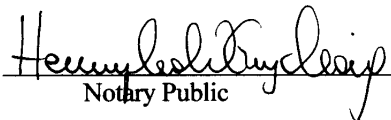
By:  (SEAL)  
Richard M. Murphy, III  
President

STATE OF Maryland, CITY OF Baltimore, TO WIT:

On this 25<sup>th</sup> day of July, 2002 before me personally appeared Richard M. Folio, to me personally known, who being by me duly sworn, says that he is the Vice President of ALLFIRST BANK, that seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said association, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said association.

IN WITNESS WHEREOF I have set my hand and seal.

(SEAL) HENRYKA W. GRYC CRAIG  
NOTARY PUBLIC STATE OF MARYLAND  
County of Baltimore  
My Commission Expires September 20, 2005

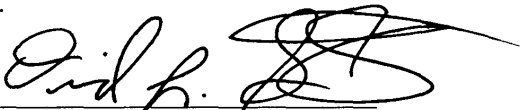
  
Notary Public

My Commission Expires:

STATE OF Minnesota, CITY/COUNTY OF Sherburne, TO WIT:

On this 23 day of July, 2002, before me personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of MIDWEST RAILCAR CORPORATION, an Illinois corporation, that seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

IN WITNESS WHEREOF I have set my hand and seal.

  
Notary Public

(SEAL)

My Commission Expires: 1-31-06



EXHIBIT A

DESCRIPTION OF RAILCARS

Three (3) open hopper cars bearing the following car marks and numbers:

WP 10204  
WP 10206  
WP 10267

Eight (8) woodchip hopper cars bearing the following car marks and numbers:

MP 592083  
MP 592128  
MP 592216  
MP 592238  
MP 592296  
MP 592460  
MP 592505  
MP 592823

Thirty-three (33) covered hopper cars bearing the following car marks and numbers:

CNW 180137  
CNW 180329  
CNW 180450  
MP 718327  
MP 718380  
MP 718725  
MP 718761  
MP 723610  
MP 723716  
MP 723795  
MP 724050  
MP 724055  
MP 724181  
MP 724196  
UP 76072  
SSW 74714  
SSW 78613  
SSW 78637  
MKT 4505  
MP 722336  
MP 722453  
MP 722678



MP 722807  
MP 722923  
UP 75600  
UP 75826  
UP 76185  
UP 76404  
UP 76588  
UP 76609  
UP 76654  
UP 77251  
UP 86022

Ten (10) 60 ft., 100-ton boxcars bearing the following car marks and numbers:

CNW 761078  
SP 691773  
DRGW 50866  
SP 691654  
UP 463077  
UP 463237  
UP 463298  
UP 466211  
SP 691713  
UP 465260